Network Group
Finance Session

WHAT YOU NEED TO KNOW
Network Group Financial Partnership

Financial Management

Compliance
- Annual application process that requires the involvement of key leaders within the Network Group
- Checks more than $1000 require two signatures
- Signed statement allowing University access to records at anytime
- Provide e-signature for compliance application
- Obtain certificate of insurance
- See Compliance Process & Application

Record Keeping
- Maintain all accounting and group management records for two years for auditing purposes
- Report membership dues collected annually
- If group is a separate 501(c)3:
  - Provide IRS 990 form
  - Provide annual financial statement

Managing Accounts
- Create and Manage Network Group Budget
- External Account Management
- Review of Quarterly Foundation Fund Reports
- See Foundation Operational Funds & External Bank Accounts

Network Activities
- Ensure events comply with UC Policy
- When setting up Online Giving Site (OLG) for all events, benefits include:
  - Aids with registration and allows for revenue to be collected
  - Revenue automatically directed to correct fund
  - UCLA Foundation provides gift receipt
  - Non-gift revenue routed to external account via ACH*
  - *Network group does not incur credit card fees
- See Event Planning Timeline

See Foundation Operational Funds & External Bank Accounts
Network Group

Transfer of Duties

Organization Structure
- Secure a current list of officers and board members
- Update contact information for quarterly report recipient

Financial Institution Information
- Identify the location of the network group’s bank
- Update authorized account users for external banks
  - Might need to go to the bank to remove previous account users
- Secure account numbers and copies of monthly statements dating back one year
- Identify current account balance for each account

Annual Schedule Events
- Obtain a list of recurring network group events from previous years and identify any new events being envisioned for the upcoming year
- Manage budget for planned annual events

Review Governing Guidelines
- Comply with External Affairs cash handling procedures
- Review Compliance Applications from prior years
- Ensure by-laws include statement granting the University access to the network group’s financial records at any time

Group Accounts Login & Passwords
- Set up user names and change passwords for various accounts — Examples include:
  - Website
  - Group Email
  - Financial Institutions
  - Any other access to systems that are password reliant

UCLA Alumni Affairs liaison contact information

Secure a current list of officers and board members

Financial Institution Information

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FAQ Section

Compliance Report Questions

1. When is the annual compliance report typically due?
   • An email notification will be sent out to groups on September 16th indicating that the application can begin with a due date of October 30th
   • A temporary password will be provided that must be changed upon signing into the website

2. What is involved with that process & who should be responsible to fill it out?
   • Email will provide instructions to access the portal - Temporary password will be provided
     • Sample Email - [https://ucla.box.com/s/n0tig6mpngdzwetcbvriuiq9xjrrcmf](https://ucla.box.com/s/n0tig6mpngdzwetcbvriuiq9xjrrcmf)
   • Requires 2 officers to sign, but any officer can fill out the application
   • E-Signature required to sign the application
     • Requirements
       • Organization Information
       • Solicitation Information
       • Event Information - Including fundraising plans & event logistics for the upcoming year
       • Membership Dues
       • Risk Management (Insurance) - Required - Mercer Application
       • Network support groups with external account - Please see External Accounts FAQs
       • Network support groups without external accounts still need to complete & update their application
         • Please Note: The group cannot collect revenue if they do not have an external bank account - All revenue would remain in the UCLA Foundation
         • General Financial Information: Need to provide TIN and the names of the two financially responsible officers to abide by the Separation of Duties requirement
         • Revenue and expenses information
         • Officers and Members - Two electronic-signatures required

3. What will happen if network support group does not update the application?
   • A network support group will be considered non-compliant
   • Network support group will receive a written notice that recognition will be withdrawn by the Chancellor
   • Assets will be transferred to The Regents of the UC or Campus Foundation - Transfer should happen within 3 months or legal action taken
   • Network support group will no longer be able to use the University name, facilities, support staff or request insurance on Mercer
FAQ Section

External Accounts - Banking

1. How do I open a bank account for my network? What is the benefit of having a banking account?
   - Request a TIN - Contact Network Support Group liaison
   - Prepare documents for financial institution - IRS TIN letter, copy of Network Support Group Bylaws for identification of both account holders
   - Having an external account allows a Network Support Group the opportunity to manage their own finances & set their own budget
   - **Note** - If a Network Support Group has a bank account, the group is subject to audit at any time and must provide all banking statements annually as part of the compliance application

2. Where can I find our network TIN?
   - TINs are centrally held by Alumni Finance team - email: alumnisupportgroupservices@support.ucla.edu
   - The number is on compliance application

3. How can we check that our W-9 and ACH Form on file is up to date? How often do we have to update these documents? How do I fill out these documents?
   - Network Support Groups can email: alumnisupportgroupservices@support.ucla.edu

4. What can we spend network funds on?
   - Network funds can be used for business appropriate expenses
   - **Best Practice Procedures** - requires budget approval by network leadership prior to expenses being incurred
     - **Please note**: Tax liable services are not reimbursable to individuals e.g. network volunteers
     - Payments must be made directly by The UC Regents to the service provider in order for the UC Regents to issue the IRS 1099 Form for tax filing
     - Network Support Group may use their own external account funds for payment. However, if seeking reimbursement through University funding, always check with liaison before making financial commitments
     - E.g. Music band, photographer, bar services, video editing

5. Do we keep all receipts of purchases made from a network bank account?
   - All receipts must be kept dating back to one fiscal year
FAQ Section

1. How can we recognize our donors?
   - The Networks Support Groups determine how to recognize their donors
   - For additional guidance, reach out to your Network Support Group liaison

2. Is there a credit card fee? Can I use square space or other credit card swipers?
   - No, when using OLG sites or Alumni swipers
   - Please Note: If using a separate site for collecting revenue, then it is the responsibility of the Network Support Group to review third party site fees. The University does not absorb these costs

3. Do you charge an administrative fee for gifts?
   - Yes - 6.5% fee - one time fee that is charged at the time that the gift is received

4. Solicitation to donors may vary. Please consult with liaison.

5. A permit is required if soliciting a large group - Things to consider:
   - Must abide by the official fundraising proposal approval process - Campaign must be policy complaint - Prior approval required
   - Mission focused and cannot conflict with other campus activities
   - Gifts made out to The Regents or Foundation - Non-tax-exempt
   - Gifts made out to The Regents or Foundation - Tax-exempt organizations w/ TIN
     - Accept & acknowledge gifts in its name
   - Never deposit University funds or Regents/Foundation gifts into external account
   - For Tax Exempt Network Support Groups with a gift intended to benefit University, a transfer must occur on a quarterly basis to either Regents or Foundation
   - For Tax Exempt Network Support Groups that receive a gift > $100k - Transfer to Regents or Foundation within 5 working days
   - Accounting records for fundraising campaign required
   - For Tax Exempt Network Support Groups, no gift processing fee or other fees charged
# FAQ Section

## Scholarships

1. **What is the process and timeline in which a student receives their scholarship?**
   - Scholarships are awarded annually - paid out in general over 3 quarters - Sept, Jan, and March

2. **Who should I follow up with to ensure that our scholarship recipient has received their awards?** - Tamara Tsang at [tttsang@fas.ucla.edu](mailto:tttsang@fas.ucla.edu) - *(See the Network Support Group liaison who will connect with Financial Aid)*
   - The quarterly reports on the [https://supportgroups.ucla.edu/](https://supportgroups.ucla.edu/) provide aggregated award disbursement data to the networks, which is the only “notification” of award receipt provided to the networks
   - Financial Aid does not supply any additional financial reports - They work with stewardship to send out a report of new and returning scholars each fall
   - **Note:** Financial Aid policies states scholarship recipients must contact financial aid and not the donor if there is any trouble with an award, therefore, the Networks should not need to follow-up for an individual Alumni Scholar.
     - A student should NOT reach out to the Network - Please advise the student to reach out to the Financial Aid Office directly via MyUCLA for further assistance
     - Financial Aid’s fiscal unit cross-checks award disbursements on a quarterly basis, so they stay abreast of any changes that go into the quarterly reports that the Networks receive

3. **Can I use ticket sales to benefit my scholarship fund?**
   - Yes - Ticket sales can be directed to scholarship fund - Once the ticket sales are earmarked for this fund, it cannot be moved
   - When setting up Online Giving Site, please select the appropriate fund type to ensure that the revenue is directed to the proper scholarship fund

4. **What is the minimum amount needed in a scholarship account to award a scholarship?**
   - The base amount awarded to a student is $6,000 - According to policy, Finance Aid needs proof that that money is available as of July 1 of the award year

5. **If we have the money, how do we set up scholarship fund?**
   - Contact your liaison for complete steps
FAQ Section

Taxes & Tax Deductions

1. How can we make in-kind donations tax deductible?
   - Need to know the Fair Market Value of the item
   - A receipt is required for all in-kind donations. If a receipt is unavailable, then the Fair Market Value should be determined by the receiving party
   - The in-kind donation process involves the donor filing out the Deed Gift Forms and provided to the Network Support Group for recording
   - For additional in-kind gifts information, forms, and process, please contact your Network Support Group liaison

2. What types of gifts are NOT tax deductible?
   - Consultant services, free massage, career counseling services, &/or legal services
   - Rent free use of personal property is not tax deductible
     - Examples include
       - Providing vacation property for auction
       - Providing Airbnb property for auction
   - Under no situation will the University enter into negotiations to have services or rent free use of personal property deemed as tax deductible

3. How should a priceless item be handled as tax deductible item?
   - Unfortunately, a bidder cannot receive a tax deduction for an item deemed priceless since the Fair Market Value of the item is both unknown at the time of the bid & determined by the amount the bidder is willing to pay for the item
   - If an auction item is deemed priceless, then there will be no tax deduction and no gift receipt will be provided

4. Who is responsible for sales tax on auction items?
   - Bids for tangible personal property are subject to state sales tax
   - The donor of the item is liable for the state sales tax unless they opt to pass on the tax to the buyer
FAQ Section

Vendors

1. **What is a vendor**
   - A vendor is a person, organization (usually with a business name), or some other legal entity that makes goods or sells its services to a consumer or other business owners.
   - Some examples of vendors that a network support group may solicit goods or services from include restaurants, caterers, promotional item retailer.

2. **What is a University approved vendor?**
   - A University approved vendor is a vendor who has entered into a contract with UCLA over a set period of time to offer their goods and services at an established and negotiated rate.

3. **What is the benefit of partnering with a University approved vendor?**
   - Working with approved vendors allows for process of securing goods and services to occur in a more efficient manner.
   - Your Network Support Group liaison will be able to generate a purchase order that ensures your group receives maximum quality, value and service for the funds expended.
   - Furthermore, efficiency is enhance because the vendors has already been vetted by the University, thus removing the need to get the vendor vetted by our Purchasing department when a request is submitted for the new vendor to be added to the system.

4. **What is average turn around time to get a new vendor added?**
   - The average turn around time for a new vendor to be added into the University’s procurement system varies since the vendor is required to register their business into the PaymentWorks system. Once the vendor has inputted all required information into PaymentWorks, it will be validated against information on file with the IRS before the Vendor Management team finalizes the process of entering the vendor into the procurement system.
   - Given this multi-step process is dependent various factors to ensure the vendor is entered into the procurement system, we encourage you to consider using a University approved vendor to maximize time and funding.

5. **Are Network Support Groups required to use University approved vendors?**
   - Network Support Groups have the option of using a University approved vendor or their preferred vendor.
   - If a Network Support Group opts to use a preferred vendor, please reach out to the liaison as soon as possible. The liaison will verify if the preferred vendor is in the procurement system due to the vendor having conducted business with the University before. If not, the preferred vendor will need begin the process of registering itself through the PaymentWorks systems.
Thank You!

Q & A

Finance & Business Services
February 11, 2023
Thank You!
Compliance Process Overview

Renew Each Fall Quarter

Application Access
- Support Group Portal Access
  - Login & temporary password provided
  - 30-days to complete the application

Organization Information
- Identify if group is a separate 501(c)3
- Indicate if using external banking accounts
- Quarterly report recipient contact information
- By-laws
- List of officers & board members

Fundraising Goals
- Number of events on-campus
- Number of events off-campus
- Number of events serving alcohol
- Other fundraising methods

Risk Management
- Annual number of events
- Number of events

Financial Management
- Bank account information
- Uploaded account statements
- Account balances
- Total revenue vs expenses and the net

Application Submission
- Secure two signatures from network group officers for checks greater than $1,000.00
- Two authorized officers e-signatures required to submit application

Support Group Webportal Services
- Click below to access compliance application

Support Group

External Affairs

Finance & Business Services

February 11, 2023
Foundation Operational Funds & External Bank Accounts

**Foundation Operational Fund**

**Benefits**
Financial management support provided by the Alumni Affairs and Advancement Services staff

Quarterly reports uploaded to the Support Group Portal for each Foundation Fund
https://supportgroups.ucla.edu

**Considerations**
Less autonomy for group to manage their group’s finances
Longer payment processes
All expenses (invoices & reimbursements) must comply with UC policies and processes

**External Bank Account**

**Benefits**
Full Autonomy, e.g. the group manages their own expenses and reconciliation processes

**Considerations**
Accountability on network group for management and reconciliation of the bank account, e.g. uploading bank statements for compliance application
Bank fees (depends on bank and account type)
Bank account balance may not exceed $25,000 (any overage must be transferred to university)
Event Planning Timeline

Event Planning
At least 8 weeks prior to event

1. Confirm Event Date, Event Location
2. Submit OLG Site Request
3. Send Event Invitations
4. Submit Catering Order

Post-Event
Timing May Vary

5. OLG Site Reconciliation
   - Submit ACH Request
     • If funds are being directed to external bank account
6. ACH Confirmation of Deposit Email
7. Confirmation from AskAlumniFinance

See — Alumni Operational Support Slide
If your Network Support Group has any questions about utilizing network funds for event expenses, please reach out to your Alumni Affairs liaison

- Your Alumni Affairs liaison understands the university policy and necessary timeline to address your needs
- Event planning support can include payment for an event location or catering order
- Event revenue management support can include collecting revenue through the External Affairs Online Giving Site and dispersing post-event revenue into your network’s external banking account